

LEATT CORPORATION
CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2016

December 31, 2015

	Unaudited	Audited
Current Assets		
Cash and cash equivalents	\$ 953,418	\$ 1,054,750
Short-term investments	58,190	58,172
Accounts receivable	3,258,193	2,901,699
Inventory	3,984,453	4,241,140
Payments in advance	531,653	208,030
Prepaid expenses and other current assets	492,388	1,070,774
Total current assets	9,278,295	9,534,565
Property and equipment, net	1,144,179	1,313,325
Deferred tax asset	115,000	115,000
Other Assets		
Other receivables	-	90,000
Deposits	24,854	16,493
Intangible assets	68,703	61,273
Total other assets	93,557	167,766
Total Assets	\$ 10,631,031	\$ 11,130,656

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Accounts payable and accrued expenses	\$ 2,471,045	\$ 2,560,980
Income taxes payable	222,537	384,950
Short term loan, net of finance charges	38,636	658,639
Total current liabilities	2,732,218	3,604,569
Deferred tax liabilities	73,000	73,000
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, \$.001 par value, 1,120,000 shares authorized, 120,000 shares issued and outstanding	3,000	3,000
Common stock, \$.001 par value, 28,000,000 shares authorized, 5,362,992 and 5,231,823 shares issued and outstanding	130,053	130,040
Additional paid - in capital	7,467,978	7,346,782
Accumulated other comprehensive loss	(599,295)	(710,032)
Retained earnings	824,077	683,297
Total stockholders' equity	7,825,813	7,453,087
Total Liabilities and Stockholders' Equity	\$ 10,631,031	\$ 11,130,656

LEATT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Three Months Ended September 30		Nine Months Ended September 30	
	2016 Unaudited	2015 Unaudited	2016 Unaudited	2015 Unaudited
Revenues	\$ 4,631,557	\$ 4,655,450	\$ 13,152,964	\$ 13,869,961
Cost of Revenues	2,183,072	2,201,924	6,206,741	6,407,946
Gross Profit	2,448,485	2,453,526	6,946,223	7,462,015
Product Royalty Income	16,224	75,268	69,755	147,469
Operating Expenses				
Salaries and wages	548,829	501,156	1,754,043	1,649,801
Commissions and consulting expenses	144,480	108,020	444,472	445,396
Professional fees	110,700	126,407	363,018	587,572
Advertising and marketing	502,522	504,017	1,216,916	1,128,772
Office rent and expenses	66,593	60,775	193,745	183,826
Research and development costs	402,924	298,200	1,083,983	884,583
Bad debt expense (recovery)	16,216	59,314	(6,341)	78,775
General and administrative expenses	505,194	435,517	1,466,992	1,349,849
Depreciation	103,586	95,677	314,584	279,953
Total operating expenses	2,401,044	2,189,083	6,831,412	6,588,527
Income from Operations	63,665	339,711	184,566	1,020,957
Other Income (Expense)				
Interest and other income (expense), net	(3,270)	18,840	65,539	26,821
Total other income (expense)	(3,270)	18,840	65,539	26,821
Income Before Income Taxes	60,395	358,551	250,105	1,047,778
Income Taxes	21,139	179,585	109,325	390,770
Net Income Available to Common Shareholders	\$ 39,256	\$ 178,966	\$ 140,780	\$ 657,008
Net Income per Common Share				
Basic	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.13
Diluted	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.12
Weighted Average Number of Common Shares Outstanding				
Basic	5,524,078	5,231,823	5,342,648	5,211,370
Diluted	5,662,540	5,542,844	5,481,109	5,522,391
Comprehensive Income				
Net Income	\$ 39,256	\$ 178,966	\$ 140,780	\$ 657,008
Other comprehensive income, net of \$0 and \$0 deferred income taxes in 2016 and 2015				
Foreign currency translation	78,818	(138,140)	110,737	(225,031)
Total Comprehensive Income	\$ 118,074	\$ 40,826	\$ 251,517	\$ 431,977